

June 5, 2007

## **FINANCE COMMITTEE REPORT**

A Finance Committee meeting was held Tuesday, June 5, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Harrison, Hobbs, Summers, Moore, Wolf, Wozniak

Others Present: County Judge Gary Black, Treasurer Deanna Ratcliffe, Assessor Bill Moutray, Sheriff Keith Ferguson, Captain Hunter Petray, Major Don Townsend, Richard McComas, Michele Anderson, Kathy Bannister

Media: Scarlet Simms – Morning News; Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

### **PUBLIC COMMENTS:**

None

### **1. Grants Administrator Report**

Grants Administrator Kathy Bannister stated that the Edward Byrne Memorial Grant was declined, so the Juvenile Probation Department will apply for an Office of Juvenile Justice and Delinquency Prevention Grant for up to \$327,400 spaced over a 4-year period. She noted that there is no county match, and the application deadline is Friday, June 8. The Finance Committee approved the application by acclamation.

Kathy Bannister stated that the Veteran's did not get the grant that they applied for to add a walkway to the Bella Vista Veteran's Memorial, and this will continue to happen in any of the unincorporated areas that apply for trails grants, because the county either has to own or lease the land that is involved, and they were never able to resolve some legal issues that the former County Attorney had with the proposed lease of the land surrounding the memorial.

### **2. Appropriation Request – County Judge's Shredder**

County Judge Gary Black stated that he has spoken with the Elected Officials in the county and they are all in agreement that the county needs a shredder. He said that since it was not in the 2007 budget they delayed the request, but the Road Department has returned \$30,000 left over from an equipment purchase, and he is requesting that the money be used to purchase an industrial shredder. He said they currently only spend a few thousand dollars per year on shredding, but it has to be saved up and stored before calling the company to come and shred it. He said there are a lot of records in Jail

Storage that no one has gone through for years, and there are a lot of records in storage in Springdale that need to be moved back up here to save the storage costs. He said that since the machine will belong to the citizens of Benton County, he would like to possibly make it available one Saturday a month for everyone to bring their materials in to be shredded. JP Summers asked if the commissioned accounts could help pay part of the costs. Comptroller Richard McComas stated that they could be charged a fee for using it. JP Summers stated that would probably be more of a hassle than it is worth. JP Wolf asked if the shredder will take care of plat-sized paper. County Judge Gary Black stated that the material goes onto a belt so it does not have to be fed in, and will take 500 pages at a time including paper clips, staples, and entire books with metal bands around them. JP Wolf stated that she agreed that it is a necessity. JP Moore stated that considering what we spend for storage, it is needed, and added that a lot of the stuff just needs to be gone through. JP Summers asked if an additional employee will be needed. County Judge Gary Black stated that he did not think so. JP Harrison asked how they will dispose of the shredded materials. County Judge Gary Black stated that they will take it to the recycling center and it will be sold. Richard McComas asked if it might possibly pay for itself. County Judge Gary Black stated that over time it might. JP Wozniak stated that they should be prepared for a large response if they open it up to the public. County Judge Gary Black stated that he has plenty of workers available if they are needed. JP Moore asked about the warranty. County Judge Gary Black stated that the cutting shaft has a 10-year warranty and that is the most important part. He said the shredder will be delivered and set up by the vendor, and they will spend a few days instructing the maintenance crew how to operate it. JP Moore made motion to forward the ordinance request to the June 12, 2007 Committee of 13 meeting, seconded by JP Wolf. Motion passed by unanimous show of hands vote.

### **3. Sales Tax Numbers**

Comptroller Richard McComas stated that the sales tax revenue showed a bit of a rebound from last month, although it is not the 10% increase that they had projected. He said that when Bella Vista receipts are included, the overall revenue increase is 8.5% over this time last year. He said if collections remain at last year's levels, they should come out even on the 2007 Budget.

### **4. Sheriff's Report/Jail Collections**

Sheriff Keith Ferguson stated that a law was enacted in 2003 which allows counties to charge a \$5 fee for tickets issued in the county, and they just need to pass an ordinance to begin enforcing it. He added that several counties have already begun charging the fee, and that Washington County collected \$167,000 last year. JP Hobbs made motion to forward an ordinance request to the June 12, 2007 Committee of 13 meeting, seconded by JP Wolf. JP Wolf asked if this should not first go to the County Attorney and stated that if it is already a state law, why not just start enforcing it. JP Summers stated that they will need to pass an ordinance first, and asked that it be noted that they are including a request for an ordinance enacting the \$20.00 fee recently approved by the State Legislature through Act 117. Captain Hunter Petray noted that those funds are strictly for Jail operations. Sheriff Ferguson stated that the Circuit Judges will have to add the \$20.00 to court costs.

Motion passed by unanimous show of hands vote.

Sheriff Ferguson presented a proposal to build a red iron building which would house approximately 150 inmates, such as misdemeanor, work release, and female prisoners. He said they have estimated that they can get the building done for approximately \$2 million, and it will relieve the overcrowded conditions in the jail for perhaps the next 5 years. He said it is his duty to tell the people of the county that they may be facing a Federal lawsuit for housing too many prisoners like the one they faced in 1993.

JP Summers asked how many Federal prisoners are being housed at this time. Captain Hunter Petray stated that they usually house between 30-40 Federal prisoners. Sheriff Ferguson stated that they could do away with Federal prisoners, but it will cost the county \$1.3 million in revenue, and within 90 days the Jail would be back to capacity.

JP Wolf asked how much a new pod will cost. Sheriff Ferguson stated \$16 million. JP Wolf asked if there is room on the site for additional pods. Sheriff Ferguson stated that he is not sure, but that the foundation of the present structure was built to support a second story.

JP Summers reminded the committee that adding a building will require additional personnel. Sheriff Ferguson stated that they would need approximately 28 employees. JP Summers stated that they can figure between 33% and 50% of the cost of the building in personnel costs, so they cannot just consider the capital expense, but they have to look at the operating expense also. JP Summers asked Sheriff Ferguson to make the presentation at the next Committee of 13 meeting. Sheriff Ferguson stated that an architect in Rogers has given him a rough estimate of \$25,000 for the engineering work that will be necessary to get the project started.

Motion passed by unanimous show of hands vote.

Comptroller Richard McComas stated that Jail Collections are up a little because the D.O.C. has sent a payment. JP Summers asked what the impact on Jail Collections will be if they have to discontinue housing Federal prisoners. Richard McComas stated that they will lose approximately half of the revenue. JP Summers stated that they really need to look at sentencing alternatives to ease the overcrowding.

JP Moore suggested using the revenue stream from Federal prisoners to pay for the red iron building, since it can always be used for work release, etc. JP Summers stated that the revenue is already being used. Richard McComas stated that they would have to carefully study the operating costs of new personnel compared to the cost of losing the Federal prisoner revenue. The committee discussed the amount that cities pay the county for prisoners. JP Summers noted that the cities only pay until the point of conviction.

## **5. Fuel Analysis/Monthly Expenditures**

Accounting Manager Michele Anderson stated that the Sheriff's Department and Jail are doing well on fuel usage, and County Road is up just a little. She said she has developed another worksheet to track fuel usage by all departments in order to compare fuel usage when they switch to the new fueling system.

Michele Anderson stated that most of the departments are right on track with expenditures, and noted that they have received an invoice from Judge Duncan's office for 2006, which will be included in the 2007 Budget Adjustment ordinance. She noted that Collector's and Assessor's rents are now showing up in Department 23, and that will

also be included in the budget adjustment ordinance. The committee discussed the amount of overtime in the Coroner's office. JP Summers asked the Accounting staff to contact the Coroner and make her aware that the committee is concerned about the amount of personnel costs in her office, and she may need to come and explain if it looks like they are going to go over budget.

Richard McComas explained that the Sheriff's office is high because it is the largest department and they pay 25% of Worker's Compensation up front, and will pay the rest out over the remainder of the year.

## **6. Other Business**

JP Moore stated that the Long Range Planning Committee has been searching the downtown area for possible locations for an additional courtroom for the new Circuit Court Judge, and at this point the most likely solution seems to be a new building on the parking lot site that is next to Judge Clinger's courtroom. He said the building will cost approximately \$2 million, and he wanted the Finance Committee to be aware that they will be coming to them in the fall during budget meetings and asking for funding for the new building.

Richard McComas reminded the committee that they have given the Election Commission approval to seek a new location for their offices, and they have asked if they have the option to buy a property if it would be no more expensive than renting one. JP Summers stated that the voting equipment has to be maintained properly to avoid problems in the elections, and another location is a necessity. Richard McComas stated that the Election Commission has returned a large portion of their budget each year for the last several years, because the State has funded some of their expenses.

Assessor Bill Moutray reported that the county picked up 132 new subdivisions in 2006, and 37 of those are commercial properties. He said in addition to that, they picked up the new Promenade shopping center and the John Q. Hammons Convention Center, and notices of new values for approximately 8,000 parcels will be going out July 1. JP Summers asked when these tax charges will be due. Bill Moutray stated that they will be due in 2008.

## **7. Announcements**

JP Summers announced that the next Finance Committee meeting will be **Thursday, July 5, 2007 at 2:30 p.m.**

After motion and second the meeting adjourned at 3:34 p.m.